

State of Washington
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. SW, PO Box 47250
Olympia, WA 98504-7250

August 16, 2001

Dorothy Attwood, Chief
Common Carrier Bureau
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: CC Docket No. 00-199: 200 Biennial Regulatory Review-Comprehensive Review
of the Accounting Requirements and ARMIS Reporting Requirements for
Incumbent Local Exchange Carriers

Dear Ms. Attwood:

The Washington Utilities and Transportation Commission (WUTC) has reviewed the additional modifications to the FCC's Uniform System of Accounts, which have been proposed in response to comments responding to the FCC's June 2001 Public Notice.

Most of the proposed modifications are not objectionable. However, the WUTC strongly urges the FCC to retain the separate revenue and expense accounts for interconnection and USF support; to create a separate account for directory revenue; and to separate the wholesale and retail expenses in Accounts 6621-6623. We agree with the positions expressed by the other states submitting comments, notably New Hampshire and Wisconsin. As the provision of telecommunications services continues to evolve from a monopoly to an open market, it is important that the accounts maintained by the ILECs allow regulatory oversight while markets evolve. The new accounts will assist state commissions in the review of access revenues, state universal service support, reciprocal compensation issues, cross-subsidization and cost-shifting issues, and market share information. As we stated in our initial comments, reducing federal accounting requirements will only result in states establishing their own, possibly non-uniform, accounting requirements to replace what ILECs would file with the FCC.

Directory revenues have been the subject of several dockets before the WUTC, and have been considered as jurisdictional revenues in setting rates in Washington state. We would support a separate account for these revenues to allow continued monitoring of directory revenues.

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We therefore respectfully request that the Commission retain the separate revenue and expense accounts for interconnection and USF support; create the addition of a separate account for directory revenues, and establish separate accounts for wholesale and retail expenses.

Respectfully submitted,

/s/

Marilyn Showalter
Chairwoman

/s/

Richard Hemstad
Commissioner

/s/

Patrick J. Oshie
Commissioner

cc: Michael K. Powell, Chairman
Gloria Tristani, Commissioner
Kathleen Q. Abernathy, Commissioner
Michael J. Copps, Commissioner
Kevin J. Martin, Commissioner